

MAR - 8 2022

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF NORTH CAROLINA  
CHARLOTTE DIVISION

US DISTRICT COURT  
WESTERN DISTRICT OF NC

UNITED STATES OF AMERICA	)	DOCKET NO. 3:22-CR-57-FDW
	)	
v.	)	<b>BILL OF INFORMATION</b>
	)	
MALIK D'VONDE SHROPSHIRE	)	Violations:
	)	18 U.S.C. § 1014
	)	18 U.S.C. § 1343

THE UNITED STATES ATTORNEY CHARGES:

At all relevant times:

Introduction

1. Defendant MALIK D'VONDE SHROPSHIRE submitted and caused to be submitted a false and fraudulent loan application to the United States Small Business Administration ("SBA") using false information regarding a fake small business, including fake revenues and fake employment data. As a result of the fraudulent application, SHROPSHIRE attempted to obtain \$28,500 in relief funds that were intended to be provided to existing businesses harmed by the COVID-19 pandemic.

Economic Injury Disaster Loan Program

2. The Coronavirus Aid, Relief, and Economic Security ("CARES") Act is a federal law passed in March 2020 that provided \$2.2 trillion dollars in emergency financial assistance to the millions of Americans who are suffering the economic effects caused by the COVID-19 virus.

3. The provisions of the CARES Act, in conjunction with an officially declared disaster by the United States Government, allowed the SBA to offer Economic Injury Disaster Loan ("EIDL") funding to business owners negatively affected by COVID-19. Through the SBA online portal, EIDL applicants could submit personal and business information in support of an EIDL application.

4. An EIDL application included a paragraph where the applicant affirms that the information submitted is true and correct under the penalty of perjury and other applicable criminal statutes. The application process involves filling out data fields relating to the size of the affected business entity, the ownership of the business, the number of employees, and gross revenues realized in the 12 months prior to COVID-19's impact on the national economy. The

business must have existed in an operational condition on or before February 1, 2020.

5. The EIDL application information, submitted by the applicant, was then used by SBA systems to calculate the amount of money the business was eligible to receive in the form of a loan. The SBA Office of Disaster Assistance, an executive branch agency, has authority over all loans created and disbursed under the EIDL program. EIDLs were solely funded by the SBA and disbursed from government-controlled accounts maintained with the U.S. Treasury at Federal Reserve Banks throughout the United States.

6. EIDL proceeds may only be used for working capital to pay expenditures necessary to alleviate the specific economic injury the small business suffered due to COVID-19. Covered expenditures include fixed debts, payroll, accounts payable, and other ordinary and necessary financial obligations that the business cannot meet as a direct result of the pandemic. EIDL proceeds may not be used to replace lost sales or profits or to expand a business.

#### The Scheme to Defraud

7. SHROPSHIRE devised a scheme and artifice to defraud the United States, specifically the SBA, by: (1) preparing and causing to be prepared false and fraudulent EIDL loan documents, including an application and other forms and (2) submitting and causing to be submitted the false and fraudulent loan application to the SBA in order to obtain funds through the EIDL program.

#### Manner and Means of the Scheme to Defraud

8. The manner and means by which SHROPSHIRE sought to accomplish the objects and purpose of the scheme and artifice included, among others:

9. On or about August 4, 2020, SHROPSHIRE caused MDS Investment Technologies LLC ("MDS") to be formed as a limited liability company in North Carolina. According to public records, MDS's principal office is on Canary Court in Charlotte, North Carolina, which is a private residence. SHROPSHIRE was listed as the sole member, organizer, and registered agent of MDS.

10. On or about August 6, 2020, SHROPSHIRE opened a business bank account, specifically a Regions Bank business checking account, with MDS as the sole owner of the account and SHROPSHIRE as the signer on the account ("Account x9992").

11. On or about August 6, 2020, SHROPSHIRE caused to be submitted an application for an EIDL in the name of MDS Investment Technologies to the SBA ("EIDL Application x7484"). In connection with EIDL Application x7484, SHROPSHIRE falsely affirmed that MDS was a real business which had 1 employee as of August 6, 2020 and had \$56,300 in gross revenues for the 12 months prior to January 31, 2020.

12. On or about August 6, 2020, the SBA calculated that a loan in the amount of \$28,150 would be paid out to MDS if Application x7484 was approved. However, Application x7484 was ultimately denied by the SBA for an EIDL.

**COUNT ONE**  
(Wire Fraud)

13. Paragraphs 1 through 12 of this Bill of Information are re-alleged and incorporated herein by reference as though fully set forth herein.

14. From on or about August 4, 2020, through on or about August 6, 2020, in the Western District of North Carolina and elsewhere, the defendant,

**MALIK D'VONDE SHROPSHIRE,**

with the intent to defraud, did knowingly and intentionally devise the above-described scheme and artifice to defraud and to obtain money by materially false and fraudulent pretenses, representations, and promises, and for the purpose of executing such scheme and artifice to defraud, did transmit and cause to be transmitted by means of wire communication in interstate commerce any writing, signal, picture, and sound, *to wit*, an electronic loan application in interstate commerce.

All in violation of Title 18, United States Code, Section 1343.

**COUNT TWO**  
(False Statements to the Small Business Administration)

15. Paragraphs 1 through 12 of this Bill of Information are re-alleged and incorporated herein by reference as though fully set forth herein.

16. On or about August 6, 2020, in the Western District of North Carolina and elsewhere, the defendant,

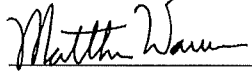
**MALIK D'VONDE SHROPSHIRE,**

did knowingly make and cause to be made a false statement or report for the purpose of influencing the action of the SBA in connection with the EIDL program, which it administers pursuant to a provision of the Small Business Act. The defendant stated and caused to be stated that, as of January 31, 2020, MDS Investment Technologies was a legitimate business which had

1 employee and \$56,300 in gross revenues for the prior 12 months. In truth and in fact, and as the defendant well knew, MDS Investment Technologies was not a legitimate business and did not have the stated employees and revenues.

All in violation of Title 18, United States Code, Sections 1014 and 2.

DENA J. KING  
UNITED STATES ATTORNEY

A handwritten signature in cursive script, appearing to read "Matthew Warren", is written over a horizontal line.

MATTHEW WARREN  
ASSISTANT UNITED STATES ATTORNEY